

Form 45-102F1

**Notice of Intention to Distribute Securities under Section 2.8 of
NI 45-102 Resale of Securities**

Reporting issuer

1. Name of reporting issuer:

Tethys Petroleum Limited (TPL)

Selling security holder

2. Your name:

CanArgo Limited

3. The offices or positions you hold in the reporting issuer:

The Chairman of the Board of CanArgo Energy Corporation, the parent company of CanArgo Limited, serves as Chairman of the Board of TPL; the Corporate Secretary of CanArgo Energy Corporation serves as Executive Vice President, Corporate Secretary and a director of TPL and; a director of CanArgo Energy Corporation serves as director of TPL.

4. Are you selling securities as a lender, pledgee, mortgagee or other encumbrancer?

No

5. Number and class of securities of the reporting issuer you beneficially own:

8,000,000 ordinary shares

Distribution

6. Number and class of securities you propose to sell:

Up to 8,000,000 ordinary shares

7. Will you sell the securities privately or on an exchange or market? If on an exchange or market, provide the name.

The shares will be sold pursuant to private transactions brokered by Jennings Capital Inc at prices not less than C\$2.95.

Warning

It is an offence to submit information that, in a material respect and in light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I certify that

- (1) I have no knowledge of a material fact or material change with respect to the issuer of the securities that has not been generally disclosed; and
- (2) the information given in this form is true and complete.

Date: July 23, 2007

CanArgo Limited
Your name (Selling security holder)

“Vincent McDonnell”
Your signature (or if a company, the signature of your authorized signatory)

Vincent McDonnell
Name of your authorized signatory